

## SOAL BAB 5

1. **Manufacturing cost.** The work in process account of Smithville Company showed :

Work In Process			
Materials	\$15,500	Finished goods	\$37,500
Direct Labor	14,750		
Factory overhead	11,800		

Material charged to the one job still in process amount to \$3,200. Factory overhead is applied as a predetermined percentage of direct labor cost.

Required :

- Compute of direct labor cost in finished goods
  - The amount of factory overhead in finished goods
2. **Manufacturing cost.** Information concerning McKenzie Company's manufacturing activities for December follows :

Inventories		
	December 1	December 31
Finished goods :	\$12,000	
Direct materials		\$5,000
Direct labor		\$3,000
Machine time		60 hours
Work in process	3,000 unit	2,000 hours
Direct materials, \$2.40 per unit		
Direct labor, \$0.80 per unit		
Machine time	48 hours	32 hours
Materials	\$9,000	\$4,500

Total December manufacturing cost was \$180,000, of which \$30,000 was direct labor cost. A total of 60 machine hours were used in the month. The company uses a predetermined overhead rate of \$100 per machine hour to assign factory overhead to work in process and finished goods inventories. Materials purchased in December were \$84,000 and freight-in on these purchases totaled \$1,500.

**Required :** Compute the following

- Materials used in December
  - Work in process at December 31
  - December cost of goods manufactured
  - Finished goods at December 31
  - December cost of goods sold
3. **Manufacturing cost.** Selected data concerning last year's operations of Compton Company are as follows (in thousands of dollars) :

Inventories		
	Beginning	Ending
Finished goods :	\$90	\$125
Work in process	80	30
Materials	75	85

Other data :

- Materials used, \$326

- b) Total manufacturing costs charge to jobs during the year (includes materials, direct labor, and factory overhead applied at rate of 60% of direct labor cost), \$686
- c) Cost of goods available for sale, \$826
- d) Marketing and administrative expenses, \$25

**Required :** Compute the following :

- 1) Cost of materials purchased
- 2) Direct labor cost charged to production
- 3) Cost of goods manufactured
- 4) Cost of goods sold

4. **Manufacturing cost.** Tomson Company is to submit a bid on the production of 11,250 ceramic plates. It is estimated that the cost of materials will be \$13,000 and the cost of direct labor will be \$15,000. Factory overhead is applied at \$2.70 per direct labor hour in the Molding Department and at 35% of direct labor cost in the Decorating Department. It is estimated that 1,000 direct labor hours, at a cost of \$9,000, will be required in Molding. The company wants a markup 45% of its total production cost.

**Required :** Determine the following

- a) Estimated cost to produce
- b) Estimated prime cost
- c) Estimated conversion cost
- d) Bid Price

5. **Job Order Cost Sheet.** Wadsworth Machine Works collects its cost data by job order cost accumulation. For Job 909, the following data are available :

Direct Materials	Direct Labor
9/14 issued, \$600	Weeks of Sept. 20, 90 hrs @ \$6.20/hr
9/20 issued, 331	Weeks of Sept. 26, 70 hrs @ \$7.30/hr
9/22 issued, 200	

Factory overhead is applied at the rate of \$80 per machine hour. Ten machine hours were used Job 909 on September 20

**Required :**

- a) Enter the appropriate information on a job order cost sheet
- b) Determine the sales price of the Job, assuming that it was contacted with a markup of 50% of cost.

6. **Journal Entries for Job Order Costing.** The following job order cost detail pertains to the three jobs that were in process at the Nauticus Company during January

	Job 66	Job 67	Job 68
Cost charged in prior period	\$ 40,000	\$ 15,000	\$ 0
Costs added in January			
Direct materials	35,000	45,000	54,000
Direct Labor	45,000	40,000	35,000
Factory overhead (\$50 per machine hour)	?	?	?
January machine hours used	720	640	560

**Required :** Prepare the appropriate journal entry to record each of the following January transactions:

- a) Direct materials were issued from the materials storeroom to work in process
- b) The payroll was distributed to work in process

- c) Factory overhead was applied to production for period
- d) Job orders 66 and 67 were completed and transferred to the finished goods storeroom

7. Journal Entries for Job Order Costing. Stanton Company's July transactions included the following :
- a) Purchased materials on account cost \$35,000
  - b) Requisitions for \$8,000 of direct materials and \$2,000 of indirect materials were filled from the storeroom
  - c) Factory payroll totaling \$9,400 consisted of \$7,600 direct labor and \$1,800 indirect labor
  - d) Depreciation of \$1,200 on factory equipment was recorded
  - e) A job order was completed with \$1,830 of direct labor and \$1,450 of materials previously charged to the order. Factory overhead is to be applied at 66 2/3% of direct labor cost
  - f) Miscellaneous factory overhead of \$1,250 was accrued
  - g) The job order referred to in transaction (e) was shipped to Dixon Associates, who were billed for \$6,100

Required : Prepare journal entries to record the transactions

8. Flow of Costs Through T Account. The Sunnyville Company had the following inventories at the beginning and end of January

	January 1	January 31
Materials	\$ 10,000	\$ 38,000
Work In Process	?	110,000
Finished Goods	50,000	150,000

During January, the cost of materials purchased was \$138,000 and factory overhead of \$90,000 was applied at a rate of 50% of direct labor cost. January cost of goods sold was \$200,000

Required : Prepare completed T account showing the flow of the cost of goods manufactured and sold

9. Brief Job Journal Entries. Techologists Incorporated produced Job 121 using \$9,250 of direct materials and \$3,945 of direct labor. Overhead is applied at a predetermined rate of 150% of direct labor cost.

Required : Prepare general journal entries, omitting subsidiary detail, to record the following :

- a) The costs of job 121
- b) The transfer of Job 121 to the finished goods stockroom.